

From: Grant Johnson [Grant.Johnson@toro.com]
Sent: Friday, March 27, 2009 6:01 PM
To: _Regulatory Comments
Subject: Grant Johnson - Comments on Advanced Notice of Proposed Rulemaking for Part 704

Dear Sirs:

Here is my response to the ANPR for your consideration:

1. Role of Corporates (CCU) in the CU System

Payment Services - I feel it is important for CCU to offer payment and settlement services because this is a vital function to our credit union. I would recommend one Corporate CUSO be setup to consolidate the operations. Each corporate would offer and settle the payments but don't operate it to achieve efficiencies and cost savings.

Liquidity must continue to be a core service of the CCU.

For field of membership - allow each credit union to pick their primary corporate regardless of location. Each cu would be required to contribute perpetual membership capital to obtain services, standardize capital requirements.

Permissible Investments— No sub prime or Alt A mortgage-backed securities should be allowed.

Structure: Two Tiered system – You have already eliminated US Central so keep only retail corporates.

2. Corporate Capital

Core Capital – raise requirements to 4-6% and allow risk-based capital.

I need corporates to continue to provide affordable, quality liquidity, payment and settlement services for us and our membership. I don't want to go outside the credit union system.

Thank you,

Grant Johnson
Toro Employees FCU

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